MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017/2018 SESSION
(All sections / Groups)

BBL2014 – BUSINESS LAW
(All sections/Groups)

12 MARCH 2018
9.00 a.m. –11.00 a.m.
(2 HOURS)

INSTRUCTION TO STUDENTS

1. This Question paper consists of 3 pages including cover page with 4 Questions only.

2. Answer **ALL FOUR (4)** questions.

3. Marks for each of the questions are given.

4. Please write your answers in the Answer Booklet provided.

QUESTION 1

(a) On 2nd May 2013, Lim wrote a letter to his friend, Jane, offering to sell his prized horse to Jane for RM2 million. Upon receipt of the letter on 6th May 2013, Jane wrote to Lim asking whether Lim would accept RM1·5 million for the horse. Lim received Jane's letter on 8th May 2013 . He decided not to reply. After waiting for two weeks, Jane wrote a letter to Lim accepting Lim's original offer to sell the horse for RM2 million. However, Lim telephoned Jane stating that he had changed his mind and did not wish to sell the horse to her. Jane wishes to sue Lim for breach of contract

(10 marks)

(b) Samantha saw an advertisement in a newspaper, which referred to a 'special offer while stocks last' by a local supermarket of a well-known brand of vacuum cleaners. The offer price was stated to be RM100 per unit. The usual price of such vacuum cleaners was RM300 per unit. Samantha rushed to the supermarket, chose one of the vacuum cleaners and took it to the payment counter. The salesperson at the counter told her that the supermarket had increased the price of the vacuum cleaner and that the new price was RM320. Samantha refused to buy the vacuum cleaner at that price. She seeks your advice whether the supermarket is contractually bound to sell the vacuum cleaner to her at the advertised price of RM100.Advise Samantha.

(15 marks)

(Total: 25 marks)

QUESTION 2

Prinsip Sdn Bhd was incorporated in 2015. The constitution of the company provides that the main object of the company is to carry on the business of meat processing. The company has been importing meat from Australia since it started business. Roy and Casper are the directors of Prinsip Sdn Bhd. Shaun holds 20,000 shares in Prinsip Sdn Bhd. Roy and Casper have not been on talking terms over the last few months.

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Last months, Roy filed a petition to wind up Prinsip Sdn Bhd under Sec 451 of Companies Act 2016. The petition is grounded on the allegation that the substratum of the company has disappeared. Roy is arguing that since an earthquake in Australia, they have not been able to import meat from Australia and hence the main object of the company to carry on the business of meat processing can no longer be carried out. Roy is also relying on the ground that since he and Casper are no longer on talking terms, it is just and equitable that the company be wound up.

Casper intends to oppose the petition to wind up the company. Casper will deny that the substratum of the company has failed. Casper will argue that the objects of the company are sufficiently wide to allow it to undertake other profitable ventures. Casper will also raise the argument that Roy does not have locus standi to petition for winding up by court.

Based on the above facts, Casper would like to know whether the court will uphold her argument that Roy has no *locus standi* to present the petition for winding up and whether the court will wind up the company on just and equitable ground.

(Total: 25 marks)

QUESTION 3

Elaborate and discuss five implied terms under the Sale of Goods Act 1979. Support your answer with cases where applicable.

(Total: 25 marks)

QUESTION 4

(a) What is insurable interest? Discuss the significance of insurable interest in a contract of insurance.

(10 marks)

(b) Mahmood's shophouse which is charged to Prudence Bank is insured against fire. In his application for fire insurance Mahmood stated that the shophouse is used as a florist shop. Yesterday, a fire broke out in Mahmood's shop. The fire was caused by an explosion of thirty huge gas cylinders which were stored in the shophouse. Advise Prudence Bank under the insurance policy. Give reasons for your answer

(15 marks)

(Total: 25 marks)

End of Paper